AFFAIRS AND PUBLIC DISTRIBUTION be pleased to state:

(a) the reasons for importing sugar and wheat despite the fact that production and storage of both the foodgrains is sufficient; and

(b) on what basis Government allow reckless increase in the prices of sugarcane and want to make the price of sugar stable?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (SHRI V. SREENIVASA PRASAD): (a) There has been no import of wheat and sugar on Government account during 1999-2000.

(b) The Central Government is only concerned with the fixation of the Statutory Minimum Price (SMP) of sugercane, which is fixed on the basis of the recommendations of the Commission on Agricultural Costs and Prices (CACP). However, the State Governments have been announcing the State Advised Prices (SAP) over and above the Statutory Minimum Price fixed by Government of India. State Advised Prices have no legal sanction behind them.

Increasing cost of sugar production

†1679. SHRI BALWANT SINGH RAMOOWALIA:
DR. D. MASTHAN:

Will the Minister of CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the sugar producing mills in various States in the country have drawn Government's attention, by expressing their concern, over the increasing cost of sugar production;

(b) if so, what is the estimated increase in the cost of production of sugar mills during the last three years;

(c) whether production in the sugar mills is becoming un- remunerative due to increase in the cost of production and the sugar mills have been compelled to close down; and

†Original notice of the question was received in Hindi.

(d) if so, what are the names of States where the sugar mills are reported to be closed down, togetherwith the respective number thereof and the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (SHRI V. SREENIVASA PRASAD): (a) Representations have been received that on account of higher State Advised Prices for sugarcane announced by some State Governments, the cost of sugar production has increased in these States.

(b) The actual cost of production of sugar incurred by various sugar mills in different States is not maintained by this Department.

(c) and (d) The closure of sugar mills could be due to variety of factors such as inadequate cane availability, uneconomical size, old age and bad condition of plant and machinery, technical and managerial incompetence, excessively high cane price not commensurate with sales realization and other such factors. The State-wise number of sugar mills remained closed during the sugar season 1998-99 and the sugar mills not reported for crushing for the current sugar season 1999-2000 till 29.2.2000 are as follows:—

States	Seasons	
	1998-99	1999-2000
Punjab	1	2
Rajasthan	—	1
U.P.	10	15
M.P.	2	2
Gujarat	3	4
Maharashtra	10	10
Bihar	17	18
Assam	1	2
Orissa	1	2
Nagaland	1	1

States	Seasons	
	1998-99	1999-2000
A.P.	5	6
Karnataka	2	3
Tamil Nadu	—	
Kerala	1	1
TOTAL	54	68

Allocation of sugar for sale through PDS

1680. SHRI AM .R SINGH: Will the Minister of CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether it is a fact that 40 per cent of sugar produced by Sugar Mills is earmarked for sale through the Public Distribution System at reserved price;

(b) whether it is also a fact that in addition to that, another 20,000 tonnes can also be released at the discretion of the Minister; if so, how much quantity has been released under the discretionary power during the last two years and the cost involved therein; and

(c) whether Government had decided to do away with this discretionary quota of sugar release ; if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (SHRI V. SREENIVASA PRASAD): (a) With effect from 1st January, 2000, 30% of the sugar production of the sugar mills is procured as levy for sale through Public Distribution System at the ex-factory levy sugar price fixed by the Government. Before 1st January, 2000, 40% of the sugar production was procured as levy for sale through Public Distribution System at the ex-factory levy sugar price fixed by the Government.

(b) Out of the freesale portion of the sugar of the sugar factories, 20,000 tonnes of sugar per month was ear-marked for release as an additional freesale quota to the sugar factories as per the prescribed guidelines. The price of freesale sugar varies from place to place and time to time and, therefore, it is not possible